

MARKET EQUILIBRIUM PRACTICE PROBLEMS

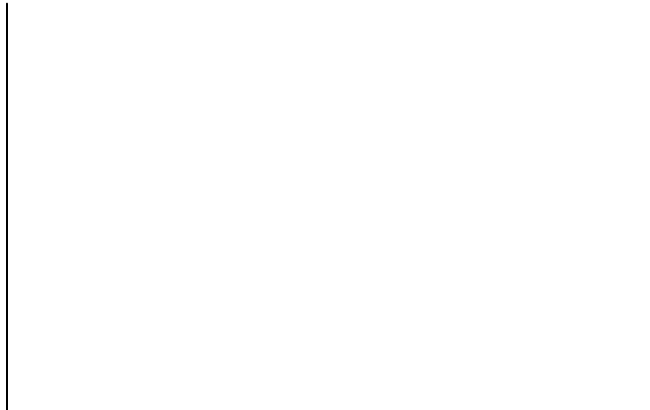
1. From the data below, draw the Market Demand & Supply curves. Describe the Market Equilibrium for this product (a). The Chinese government passes new labor laws, increasing Nike's production costs. Reflect this change on your graph (b). What happens in the market? *Label your graph properly.*

Market Supply of and Demand for Air Jordan Nike Sneakers		
<i>Total Quantity Supplied pairs/ day</i>	<i>Price (\$) per pair</i>	<i>Total Quantity Demanded pairs/day</i>
15,000	\$150	2,000
10,000	\$120	4,000
7,000	\$90	7,000
4,000	\$60	15,000
1,000	\$30	20,000



2. From the data below, draw the Market Demand & Supply curves. Describe the Market Equilibrium for this product (a). A new fad diet discourages drinking orange juice due to its high sugar content. Reflect this change on your graph (b). What happens in the market? *Label your graph properly.*

Market Supply of and Demand for Orange Juice		
<i>Total Quantity Supplied (gallons/day)</i>	<i>Price (\$) per gallon</i>	<i>Total Quantity Demanded (gallons/day)</i>
12,000	\$5	2,000
10,000	\$4	4,000
7,000	\$3	7,000
4,000	\$2	11,000
1,000	\$1	16,000



3. From the data below, draw the Market Demand & Supply curves. Describe the Market Equilibrium for this product (a). Prices of hamburgers increases. Reflect this change on your graph (b). What happens in the market? *Label your graph properly.*

Market Supply of and Demand for Hot Dogs		
<i>Total Quantity Supplied (dozen/week)</i>	<i>Price (\$) per dozen</i>	<i>Total Quantity Demanded (dozen/week)</i>
15,000	\$6	2,000
10,000	\$5	3,000
5,000	\$4	5,000
3,000	\$3	7,000
1,000	\$2	10,000

